

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division**

GSB GOLD STANDARD CORPORATION  
AG, JOSIP HEIT, ANTONIO EUCLIDES  
MENESIS DE GOUVEIA, and MICHAEL  
DALCOE

Plaintiffs,

v.

CHRISTOPHER SAUNDERS

Defendant.

Civil Case \_\_\_\_\_

**JURY TRIAL DEMANDED**

**COMPLAINT**

Plaintiffs GSB Gold Standard Corporation AG (“GSB”), Josip Heit, Antonio Euclides Menesis De Gouveia, and Michael Dalcoe, by and through its counsel, allege as follows:

**PARTIES**

1. Plaintiff GSB is a company registered under the laws of Germany. GSB is a software development company that operates in the blockchain space and manages and licenses various blockchain products.

2. Plaintiff Josip Heit is an individual citizen of Croatia. Mr. Heit is the Chief Executive Officer of GSB.

3. Plaintiff Antonio (“Tony”) Euclides Meneses De Gouveia is an individual citizen of the Republic of South Africa. Mr. De Gouveia is an independent affiliate of GSB.

4. Plaintiff Michael Dalcoe is an individual citizen of the State of Georgia, United States. Mr. Dalcoe is an independent affiliate of GSB.

5. Defendant Christopher Saunders (“Saunders” or “Defendant”) is an individual

citizen of the United States and a resident of Stafford, Virginia, which is within the Eastern District of Virginia. Saunders owns and operates a YouTube Channel named “Grit, Grind, Gold,” an Instagram account named “Grit, Grind, Gold,” a Facebook page named “Grit, Grind, Gold,” and a Twitter Handle named “@24KaratChris” (together, the “Social Media Channels”). Saunders uses his Social Media Channels to publish purported statements of fact related to various companies operating in the cryptocurrency space.

### **JURISDICTION**

6. This Honorable Court has jurisdiction under 28 U.S.C. § 1332 because Plaintiff GSB is a company registered under the laws of Germany; Plaintiff Josip Heit is a citizen of Croatia; Plaintiff Tony De Gouveia is a citizen of the Republic of South Africa; Plaintiff Michael Dalcoe is a citizen of the U.S.A., State of Georgia; and Saunders is a resident and citizen of the U.S.A., State of Virginia. As a result of Defendant’s false and defamatory statements, GSB has lost potential investors in its product offerings translating into thousands of dollars of lost profits and missed economic opportunities resulting in a cumulative loss in significant excess of \$75,000.00.

7. Venue in this judicial district is proper under 28 U.S.C. § 1391(b) and (c) because Mr. Saunders is a resident of the State of Virginia, and his publication of the false and defamatory statements giving rise to this action occurred in this district.

8. This Court has supplemental jurisdiction over all state law claims under 28 U.S.C. § 1367(a).

### **FACTUAL ALLEGATIONS**

#### **I. SAUNDERS’ SOCIAL MEDIA CHANNELS**

9. Saunders has approximately two thousand subscribers on his YouTube Channel

“Grit, Grind, Gold” (“GGG YouTube Channel”). The GGG YouTube Channel is commoditized such that Saunders earns income from the publications of videos on his platform. As of the filing date of this Complaint, Saunders’ videos on GGG YouTube Channel have collectively amassed approximately 205,283 views. On information and belief, Saunders has earned thousands of dollars from YouTube as a result of the videos he has posted on his GGG YouTube Channel. In at least one of his videos, Saunders has confirmed that he receives income from YouTube for his postings.<sup>1</sup>

10. Saunders also owns and operates an Instagram account similarly entitled “Grit, Grind, Gold” (“GGG Instagram Account”). The GGG Instagram Account is comprised of approximately 1,978 followers. Saunders frequently uses his GGG Instagram Account to host videos from his GGG YouTube Channel, and to otherwise direct his followers on the GGG Instagram Account to his GGG YouTube Channel where Saunders can then monetize their views

11. Saunders also owns and operates a Facebook page similarly entitled “Grit, Grind, Gold” (“GGG Facebook Account”). The GGG Facebook Account is comprised of approximately 160 followers. Saunders frequently uses his GGG Facebook Account to host videos from his GGG YouTube Channel, and to otherwise direct his followers on the GGG Facebook Account to his GGG YouTube Channel where Saunders can then monetize their views.

12. Saunders also owns and operates a Twitter account entitled “@24KaratChris” in which he also publishes purported statements of fact related to various entities in the cryptocurrency space (“24Karat Twitter Handle”). The 24Karat Twitter Handle has

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<sup>1</sup> On November 4, 2021, Saunders published to his GGG YouTube Channel, a video entitled “*I Smell a Dirty Foot*,” <https://www.youtube.com/watch?v=lghTaxJeJpE> (Last visited November 29, 2021), in which at 15:16 to 15:19 Saunders stated, “I’m getting paid. My crime boss is YouTube.”

approximately 169 followers. Saunders also frequently uses his 24Karat Twitter Handle to host videos from his GGG YouTube Channel, and to otherwise direct his followers on the 24Karat Twitter Handle to his GGG YouTube Channel where Saunders can then monetize their views.

13. Saunders' Social Media Channels each cross-reference one another.

Illustratively, the GGG YouTube Channel includes a hyperlink affixed to the top of the page that directs his followers to both his GGG Instagram Account and 24Karat Twitter Handle. On information and belief, by cross-referencing his various Social Media Channels, Saunders increases the views he receives on each channel, including his monetized GGG YouTube Channel.

## **II. SAUNDERS' PUBLICATION OF FALSE AND DEFAMATORY STATEMENTS AGAINST GSB, ITS PRINCIPALS, AND AGENTS**

14. Saunders first began publishing videos on his GGG YouTube Channel on or around January 16, 2020. By December 1, 2020, Saunders began broadcasting videos on the GGG YouTube Channel that included a series of false and defamatory statements about GSB, its principals, and agents. As of the filing of this action, Saunders has since published *at least ninety-nine (99) videos* on the GGG YouTube Channel that broadcast a litany of false and defamatory factual statements regarding GSB, its principals, and agents. Saunders has published these false and defamatory statements without just cause or excuse, and with the intent to injure the business reputation and to undermine the integrity of GSB, its principals, and agents. The false and defamatory statements about GSB, its principals, and agents can be broadly grouped into four separate categories:

### **A. Conflating GSB And Karatbars As The Same Entity**

15. Saunders has intentionally conflated GSB with a wholly distinct legal entity called Karatbars International GmbH ("Karatbars").



16. On information and belief, Karatbars was created in 2011 by Harald Seiz, Karatbars' founder and Chief Executive Officer. From 2011 through to 2020, Karatbars employed thousands of sales agents who earned sizeable commissions selling various gold products to customers across the world. From 2018 through 2020, Karatbars also sold a cryptocurrency called V999, which Karatbars claimed was the only cryptocurrency backed by gold (the "V999 Token").

17. On information and belief, Karatbars' business activities came under criminal and regulatory investigation in several jurisdictions:

- (i) In May 2019, authorities in Namibia declared Karatbars a pyramid scheme, <https://neweralive.na/posts/karatbars-the-latest-pyramid-scheme-identified-by-bank-of-namibia> (Last visited November 29, 2021);
- (ii) In October 2019, the Florida Office of Financial Regulation refuted claims that Karatbars was operating under a banking license in Florida, <https://www.coindesk.com/markets/2019/10/04/gold-backed-crypto-tokens-promoter-investigated-by-florida-regulators/> (Last visited November 29, 2021);
- (iii) In November 2019, South Africa's Financial Sector Conduct Authority (FSCA) issued a warning for the public not to deal with Karatbars, <https://www.fsc.co.za/News%20Documents/FSCA%20Press%20Release%20%20Update%20on%20public%20warning%20regarding%20Karatbars%20International%20GmbH%20-%202013%20December%202019.pdf> (Last visited November 29, 2021);

- (iv) In November 2019, Germany's banking watchdog, BaFin, issued a cease and desist order to Karatbit Foundation and ordered the company to settle outstanding claims, <https://money.yahoo.com/german-regulator-orders-karatgold-coin-215629734.html> (Last visited November 29, 2021); and
- (v) In May 2021, the Financial Markets Authority of New Zealand issued an advisory warning against Karatbars, <https://www.fma.govt.nz/news-and-resources/warnings-and-alerts/karatbars-international-gmbh-karatbit-foundation-and-associated-companies-freebay/> (Last visited November 29, 2021).

18. On further information and belief, Karatbars has gained a reputation as being a fraudulent, pyramid scheme that has harmed investors as determined by these various criminal and regulatory investigations, as well as other public reports and actions taken by Karatbars.

19. In both legal and practical terms, Karatbars and GSB are not the same entity. First, Karatbars and GSB are two separate legal entities. Karatbars is a corporate entity that was registered under the laws of Germany in 2011 as Karatbars International GmbH, whereas GSB was registered in 2020 as GSB Gold Standard Corporation AG. Second, Karatbars and GSB do not enjoy a parent, subsidiary, sister, related, or affiliated company relationship of any kind whatsoever. Third, Karatbars and GSB do not share the same owners. On information and belief, Karatbars is wholly owned by its founder, Mr. Harald Seiz, while GSB is wholly owned by Josip Heit. Fourth, Karatbars and GSB do not have any joint venture, partnership, or similar business relationship. In sum, Karatbars and GSB are not the same entity.

20. Notwithstanding, Saunders has repeatedly made false and defamatory statements

alleging that Karatbars and GSB are the same entity. Saunders knows that Karatbars and GSB are not the same entity, but has made his false and defamatory statements conflating Karatbars with GSB with the specific intent to: (i) portray GSB, its principals, and agents as the same perpetrator of fraud and deceit as Karatbars; (ii) impute Karatbar's reputation as a fraudulent, pyramid scheme onto GSB, its principals, and agents; and (iii) discourage GSB's current, future, and potential investors, customers, and clients from doing business with GSB, its principals, and agents and to interfere with GSB's business relationships. As a result of Saunders' false and defamatory statements, GSB, its principals, and agents have been harmed, primarily as a result of lost profits and lost business opportunities.

Illustratively, Saunders has made the following statements:

- a) On June 1, 2021, Saunders published to his GGG YouTube Channel, a video entitled, "*New Zealand And The FMA Reissue Regulatory Warning Against Karatbars*," <https://youtu.be/hXI00A5Vq0E> (Last visited November 29, 2021). The video was viewed at least 575 times.
- i) From 0:08 to 0:31, Saunders published the following statement conflating GSB with Karatbars: "[T]he number one source on the internet for exposing the crypto currency criminals and the crypto currency scam **that originally started as Karatbars International but** due to a lot of bad press **has changed their names a lot of times. So now its Karatbars International, Free Bay AG, Free Bay Universe, Gold Standard Bank.** You name it, **it's all the same scam people, it's all the same**

people.”<sup>2</sup>

- b) On September 14, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*Is GRIT GRIND GOLD Just Full of FUD?*,” <https://youtu.be/Syo1QmLpoCU> (Last visited November 29, 2021). The video was viewed at least 380 times.
  - i) From 4:38 to 5:06, Saunders published the following statement conflating GSB with Karatbars: “If you’re in the Gold Standard Bank and you’re trusting the Gold Standard Partners right now, I’m going to tell you just like I told Karatbars affiliates before, **trusting Gold Standard Partners is like trusting Gold Director Elite Threes from Karatbars because they’re the same people . . . so you’re trusting the same people that have already ripped people the fuck off.**”
- c) On September 27, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*PROOF that Gold Standard Bank and Karatbars International are the same company,*” <https://youtu.be/yQIHt-HKPkU> (Last visited November 29, 2021). The video was viewed at least 657 times.
  - i) From 2:13 to 2:15, Saunders published the following statement conflating GSB with Karatbars: “**So the Gold Standard Bank is Karatbars International, Karatbars International is the**

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<sup>2</sup> In all instances in which Saunders’ purported statements and publications are bolded, these statements and publications are bolded by Plaintiffs for emphasis added.



**Gold Standard Bank.** It's just a crypto criminal scam trying to run off with all your money."

- d) On October 7, 2021, Saunders published to his GGG YouTube Channel, a video entitled, "*Is this Proof Karatbars and GSB have been a scam since day one?*," <https://youtu.be/Em1QUf1StT4> (Last visited November 29, 2021). The video was viewed at least 850 times.
  - i) From 0:12 to 0:20, Saunders published the following statement conflating GSB with Karatbars: "I've been exposing a crypto currency scam known as Karatbars International for the past year, **Karatbars was transformed under the Gold Standard Bank.**"
- e) On October 9, 2021, Saunders published to his GGG YouTube Channel, a video entitled, "*How Much Should You Trust Josip Heit and His IPO*," <https://youtu.be/H6ZHLR-wbuk> (Last visited November 29, 2021). The video was viewed at least 478 times.
  - i) From 0:49 to 1:18, Saunders published the following statement conflating GSB with Karatbars: "Average, blue-collar people are who the Gold Standard Bank's targeting, people that don't know shit about crypto, this was the same target group and demographic people they, uh, hit in Karatbars and if you guys don't know what Karatbars is and you're in the Gold Standard Bank, then obviously they're hiding something from you, **because 90% of your leadership council and everybody**

**that's top dogs within the Gold Standard Bank came from Karatbars** and Karatbars just ran off with a whole bunch of people's money so would you trust that company, no, I don't think so."

- f) On October 27, 2021, Saunders published to his GGG YouTube Channel, a video entitled, "*MasterCard Taking Bitcoin Payments, Is This The End for GSLifestyle Card?*," <https://youtu.be/boTZ0eCII3M> (Last visited November 29, 2021). The video was viewed at least 345 times.
- i) From 0:34 to 0:46, Saunders published the following statement conflating GSB with Karatbars: ". . . If you're new to the channel, I've been exposing a cryptocurrency scam **that originally started as Karatbars International but all the players are the same and they've meta-morphed and transformed into Gold Standard Bank.**"
- g) On November 3, 2021, Saunders published to his GGG YouTube Channel, a video entitled, "*The FTC, Karatbars International and GSB*," [https://youtu.be/\\_myQMqv8NUI](https://youtu.be/_myQMqv8NUI) (Last visited November 29, 2021). The video was viewed at least 485 times.
- i) From 1:12 to 1:32, Saunders published the following statement conflating GSB with Karatbars, "So, uh, if you were one of those companies and you got one of these notices, and those notices got sent out in October of 2021, what would you do?"

**Simple, change companies.** Take everybody from your company and **change it just Karatbars did with Gold, just like Josip Heit did with the Gold Standard Bank.** Oh, we're getting in trouble. Let's just make a new company and do the exact same bullshit."

- ii) From 2:23 to 2:34, Saunders published the following statement conflating GSB with Karatbars: "**That's why even though Karatbars and Gold Standard Bank on paper might be two separate companies,** they're still doing the same deceptive practices and they're just, they're just, **they're switching clothes so they can't, they won't get caught.**"

- h) On December 2, 2021, Saunders published to his GGG YouTube Channel, a video entitled, "*WEEKLY UPDATE, Why I Think Josip Heit is Lying And Why You Shouldn't Give Him Your Money,*" <https://youtu.be/jryHxk0pYKs> (Last viewed December 2, 2021). The video was viewed at least 307 times.

- i) From 4:50 to 4:59, Saunders published the following statement conflating GSB with Karatbars: "You can also look at the pictures of like the Stellar Fund press conference, the bitcoin POS press conference, the Karatbars press, or the Karat Bank press conference, with uh, with Josip Heit and the, the mics almost are exactly identical, it's obviously like, uh, the same fuckin room."

21. Collectively, Saunders' statements falsely conflating Karatbars with GSB have been viewed at least 205,283 times as of the filing of this Complaint. At all times, Saunders has made each of these statements—conflating GSB with an organization internationally known for fraud and deceit—with the knowledge that his statements were false and that GSB and Karatbars are separate entities.

**B. Alleging That GSB, Its Principals, And Agents Are Engaged In A Ponzi Scheme**

22. Saunders has repeatedly published false and defamatory statements alleging that GSB, its principals, and agents are engaged in a Ponzi scheme.

23. Dictionary.com defines a Ponzi scheme as a fraudulent investment operation that lures investors and pays profits to earlier investors with funds from recent investors.<sup>3</sup> Colloquially, the term “Ponzi scheme” is affiliated with some of the worst crimes in American history, including those committed by Bernie Madoff, who was convicted of stealing more than twenty billion dollars from unsuspecting investors, such that mere utterance of the expression is thought to engender impassioned feelings of vitriol and exploitation.

24. GSB, its principals, and agents are not engaged in a Ponzi scheme. Neither GSB nor its principals or agents have been charged—must less convicted—of participating in a Ponzi scheme, nor has there been any criminal or regulatory investigations into GSB in connection with allegations that it may be running a Ponzi scheme. Notwithstanding, Saunders has repeatedly made false and defamatory statements alleging that GSB, its principals, and agents are actively engaged in a Ponzi scheme. Saunders has made these statements falsely affiliating GSB, its principals, and agents with a fraudulent investment operation while knowing that these

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<sup>3</sup> <https://www.dictionary.com/browse/ponzi--scheme> (Last visited December 1, 2021).



statements were false. Saunders' deliberate characterizations of GSB, its principals, and agents as participants in a Ponzi scheme have been broadcast without just cause or excuse and with the malicious intent to harm the business and reputation of GSB, its principals, and agents.

Illustratively, Saunders made the following statements:

- a) On July 12, 2021, Saunders published to his GGG YouTube Channel, a video entitled, "*GSPartner Tony De Gouveia and The South African Sidekick's Blueprint of How to Rob You Blind*," [https://youtu.be/poPPS\\_lkO3k](https://youtu.be/poPPS_lkO3k) (Last visited November 29, 2021). The video was viewed at least 596 times.
  - i) From 0:08 to 0:14, Saunders published the following statement falsely declaring GSB to be a Ponzi scheme: "I've been using a term as of lately called **Ponzi prostitutes. I've been calling pretty much all of the Gold Standard Partners that.**"
- b) On August 30, 2021, Saunders published to his GGG YouTube Channel, a video entitled, "*G999 vs BTC*," <https://youtu.be/IJRYih2G1v4> (Last visited November 29, 2021). The video was viewed at least 449 times.
  - i) From 1:21 to 1:46, Saunders published the following statement falsely declaring GSB to be a Ponzi scheme: "**Josip Heit, the CEO, from or the CEO within Gold Standard Bank** is also, was also, a chairman of the board of the Karat Bank and they all came from Karatbars. When you compare the KBC, the KCB, the G999, all these gold backed cryptocurrencies that all

of these cryptocurrency like what the Crypt Talk Nation has been calling **Ponzi prostitutes.**”

- ii) From 4:19 to 4:33, Saunders published the following statement falsely declaring GSB to be a Ponzi scheme: “**G999 hired network marketing whores, Ponzi prostitutes,** came up with a slutty white paper in order to sell the most they in the shortest period of time so that they could make money.”
- c) On September 2, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*WEEKLY UPDATE, SEC Reply, Mike Dalcoe’s Deleted Comment and Jen McAdams,*” <https://youtu.be/G6BXf7loU64> (Last visited November 29, 2021). The video was viewed at least 394 times.
- i) From 4:59 to 5:18, Saunders published the following statement falsely declaring GSB to be a Ponzi scheme: “It ties into everything that has revolved around Karatbars, **the Gold Standard Bank, the Gold Standard Partners, Josip Heit, Harald Seiz, Mike Dalcoe,** Tammy Morrison, like all these crypto, you know, like we call them **crypto criminals, Ponzi prostitutes,** network marketing whores.”
- d) On October 16, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*Uh Oh No GSP IPO,*” <https://youtu.be/ITBeD-ppCoY> (Last visited November 29, 2021). The video was viewed at least 607 times.

- i) From 2:04 to 2:20, Saunders published the following statement falsely declaring GSB to be a Ponzi scheme: “How many cans [has **GSB**] kicked down the road. So yesterday, the IPO was supposed to come out, lets promote the Lydian world before that it’s the XLT, you guys are chasing a pipe dream that is **nothing more than a Ponzi scheme.**”
- e) On October 27, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*Are GSPartners Breaking The Law,*” <https://youtu.be/wK1Gogd0Wjs> (Last visited November 29, 2021). The video was viewed at least 449 times.
- i) From 0:09 to 0:15, Saunders published the following statement falsely declaring GSB to be a Ponzi scheme: “I’ve been bringing a lot of heat on the **South African Ponzi Prostitute crew of Gold Standard Bank, which resolves around Tony De Gouveia.**”
- ii) From 0:32 to 0:46, Saunders published the following statement falsely declaring GSB to be a Ponzi scheme: “**If you’re anybody that is associated with this crew of South African whores, Ponzi prostitutes** if you will, you want to watch this video because I’m going to explain to you **how you’re breaking South African law.**”
- iii) From 2:13 to 2:17, Saunders published the following statement falsely declaring GSB to be a Ponzi scheme: “They know they

don't want to step into court because **they're a bunch of Ponzi pussies**, uh, is what it boils down to."

- f) On December 2, 2021, Saunders published to his GGG YouTube Channel, a video entitled, "*WEEKLY UPDATE, Why I Think Josip Heit is Lying And Why You Shouldn't Give Him Your Money*," <https://youtu.be/jryHxk0pYKs> (Last viewed December 2, 2021). The video was viewed at least 307 times.
- i) From 4:35 to 4:41, Saunders published the following statement falsely declaring GSB to be a Ponzi scheme: "[Josip Heit] has become an addict of ripping you off with these cryptocurrency Ponzi schemes."

25. Collectively, Saunders' statements falsely alleging that GSB, its principals, and agents are engaged in a Ponzi scheme have been viewed at least 205,283 times as of the date of filing of this Complaint. Saunders has made each of these statements, while knowing that such statements are false and that GSB, its principals, and agents are not engaged in a Ponzi scheme and with the malicious intent that his statements would harm the business and reputation of GSB, its principals, and agents.

**C. Alleging GSB, Its Principals And Agents Are Engaged In Criminal Acts**

26. Saunders has repeatedly published false and defamatory statements accusing GSB, its principals, and agents of criminal acts and acts of moral turpitude.

27. Under Virginia law, statements that "impute to a person the commission of some criminal offense involving moral turpitude, for which the party, if the charge is true, may be



indicted or punished,”<sup>4</sup> are the kinds of statements that are actionable as defamation *per se*. Furthermore, the inherent criminality, and its resulting hazardous impact upon the economic vitality of GSB, its principals, and agents, including, more specifically, Plaintiffs, are of the caliber that do not require the pleading of special damages, as they “contain an imputation that is ‘necessarily hurtful’ in its effect upon [Plaintiffs’] business,” such that it necessarily “affects [Plaintiffs] in [their] particular trade or occupation.”<sup>5</sup> Furthermore, the statements are actionable as defamation *per se* because they “prejudice [Plaintiffs] in [their] professional trade.”<sup>6</sup>

28. GSB, its principals, and agents, including, more specifically, Plaintiffs, have not and are not engaged in criminal acts or acts of moral turpitude. Neither GSB nor its principals or agents have been charged—must less convicted—of any crimes or acts of moral turpitude, nor has there been any criminal or regulatory investigations into GSB, its principals, or agents in connection with possible crimes or acts of moral turpitude. Notwithstanding, Saunders has repeatedly made false and defamatory statements that GSB, its principals, and agents are engaged in criminal acts and acts of moral turpitude. Saunders broadcast these statements accusing GSB, its principals, and agents with crimes and acts of moral turpitude without just cause or excuse, while knowing that such statements are not true and with the malicious intent to harm their business reputation and to attack the integrity of GSB, its principals and agents. Illustratively, and in addition to Saunders “Ponzi scheme” statements previously alleged, Saunders made the following statements:

- a) On July 15, 2021, Saunders published to his GGG YouTube Channel, a

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<sup>4</sup> *Tronfeld v. Nationwide Mut. Ins. Co.*, 272 Va. 709, 713, 636 S.E.2d 447, 450 (2006).

<sup>5</sup> *Fleming v. Moore*, 221 Va. 884, 889–90, 275 S.E.2d 632, 636 (1981) (citing *James v. Haymes*, 160 Va. 253, 261–62, 168 S.E. 333, 336 (1933)).

<sup>6</sup> *Tronfeld v. Nationwide Mut. Ins. Co.*, 272 Va. 709, 713, 636 S.E.2d 447, 450 (2006).

video entitled, “*3 Facts The GSPartners Do NOT Want To Admit,*”

<https://youtu.be/IqBKlXTc0oU> (Last visited November 29, 2021). The video was viewed at least 653 times.

- i) From 5:57 to 6:04, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “Ask your sponsor because **[GSB] is a MLM, it is a pyramid scheme, it is a network marketing structure.**”
- b) On July 21, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*Phase 1 of GSB and the G999 Exclusive Living Deal,*” <https://youtu.be/0hRJ5yU4Bxo> (Last visited November 29, 2021). The video was viewed at least 682 times.
  - i) From 3:06 to 3:17, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “**It’s a money grab. Josip Heit is going to take your money and buy his apartment** so he doesn’t have to travel all around the world and can be completely protected in Dubai.”
  - ii) From 3:25 to 2:45, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “**You are literally paying for the criminals taking your money to hide away** in a land where you can’t touch them.”

- c) On July 23 2020, Saunders published to his GGG YouTube Channel, a video entitled, “*WEEKLY UPDATE, The Banking License, A Good Book, and Tokenizing Real Estate*,” [https://youtu.be/96Gi\\_XesEcA](https://youtu.be/96Gi_XesEcA) (Last visited November 29, 2021). The video was viewed at least 531 times.
  - i) From 4:11 to 4:25, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “**It’s because they’re scamming you. I mean it’s plain and simple, its deception, its manipulation, its fraud.** That’s exactly what it is, I mean, there’s no way around it.”
- d) On August 27. 2020, Saunders published to his GGG YouTube Channel, a video entitled, “*Weekly Update Mastercard, the FCA reply and future billionaires*,” <https://youtu.be/ZJC9aqLolHE> (Last visited November 29, 2021). The video was viewed at least 631 times.
  - i) From 5:14 to 5:19, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “**It’s an MLM, it’s a pyramid scheme, and that’s exactly what the Gold Standard Bank is.**”
- e) On August 30, 2021, Saunders published to his GGG YouTube Channel, a video entitled “*G999 vs BTC*,” <https://youtu.be/IJRYih2G1v4> (Last visited November 29, 2021). The video was viewed at least 595 times.

- i) From 5:57 to 6:04, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “They’re trying to sell as much product as possible in the shortest period of time because **it’s a get rich quick scheme, it’s a pyramid scam.**”
- f) On September 11, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*LIVE UPDATE Where is the Karatbars Gold and the true intent of GSPartners,*” <https://youtu.be/muXQAfzlOAs> (Last visited November 29, 2021). The video was viewed at least 774 times.
- i) From 6:53 to 7:25, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “Gold Standard Bank learned from that that’s why you have the Kazakhstan license, the Cosmos bank license, well, it’s not even licensed, **you have all this fake shit that’s spread over.** What it does is if anybody truly wants to investigate this from a legal standpoint, it’s a fuckin maze and the reason they do that is for exactly what Karatbars just accomplished, by the time you figure out that there is no company, there is nobody to sue, and **they ran off with your money.**”
- g) On September 17, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*BREAKING NEWS Will Brendon Earp-*



*Jones Be The Fall of the Karatbars Crypto Cyndicate?,”*

[https://youtu.be/7uAjFNAYg\\_8](https://youtu.be/7uAjFNAYg_8) (Last visited November 29, 2021). The video was viewed at least 636 times.

i) From 3:52 to 4:16, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “I know a lot of people have said that you know there was a fallout between Josip Heit and Harald Seiz. I think this was a manufactured and intentional propaganda fallout because all it did it allowed Karatbars to channel their money into gold standard bank. I don’t think it was a fallout. I think it was a very well designed exit strategy **so that they could rob all of you guys blind.**”

h) On October 4, 2021, Saunders published to his GGG YouTube channel, a video entitled, “*LIVE UPDATE, Security Fraud, A Shitty XLT Brochure and Josip Heit’s Bullshit Lies,*” <https://youtu.be/z6F6pgje38U> (Last visited November 29, 2021). The video was viewed at least 499 times.

i) From 0:24 to 0:29, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “**Because the Gold Standard Partners are secretly committing security fraud.**”

ii) From 1:16 to 1:20, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its

principals, and agents: “So basically they have a year for this fund raiser that’s why they want to privately run this brochure so nobody sees what’s going on, **because they’re committing securities fraud**. You’re basically giving Josip Heit and the top leaders the money to buy the condos in this apartment in Dubai where the law won’t touch them.”

- i) On October 7, 2021, Saunders published to his GGG YouTube channel, a video entitled, “*Is this Proof Karatbars and GSB have been a scam since day one?*,” <https://youtu.be/Em1QUf1StT4> (Last visited November 29, 2021). The video was viewed at least 850 times.
- i) From 12:40 to 12:58, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “They pocketed your money. Harald Seiz created a company to pocket your money, hired Josip Heit to launder the money, **then Josip Heit being the crook that he is stole the laundered money** and started a new company to do the same thing that Harald Seiz just did.”
- j) On October 9, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*How Much Should You Trust Josip Heit and His IPO?*,” <https://youtu.be/H6ZHLLR-wbuk> (Last visited November 29, 2021). The video was viewed at least 478 times.
- i) From 0:41 to 0:46, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its

principals, and agents: “I’m trying to help you people not get ripped off in **crypto scams like the Gold Standard Bank.**”

- ii) From 1:56 to 2:29, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “I think that what Josip’s probably gonna try to do is try to quickly put together a couple of shell companies to make it look like he’s gonna get an IPO and this is **just another money-grab** no different than the uh, XLT tokens. It’s gonna be something that’s like, hey, pay for this now, and then you can get some money for it later down the road after we disappear and dissolve just like Karatbars did. So would I trust the actual IPO that the gold standard bank and Josip Heit and the gold standard partners are offering, absolutely not.”

- k) On October 9, 2021, Sanders published to his GGG YouTube channel, a video entitled, “*Did Harald Seiz Rob you, or did Josip Heit rob Harald Seiz?*,” <https://youtu.be/g9B1UJKCE6A> (Last visited November 29, 2021). The video was viewed at least 479 times.

- i) From 3:09 to 3:50, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “Even though Harald Seiz had his name on Karatbars, **Josip Heit hired Anna Krishtene, Krishtime, and formed this trust and basically laundered a whole**

**bunch of Karatbars money into it.** This is a way that Harald, not Harald, I'm sorry Josip could have taken money from Harald to control the Karatbars money and rob you from the Karatbars money and make it look like Harald did it. Make sense? Josip starts the trust with a dirty lawyer, takes all of Harald's money, Harald name is on everything but Josip's the one that robbed you, and then makes it look like karat's done it."

ii) From 4:36 to 4:50, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: "The one thing we have definitely found a consistent pattern in this small group of very specific group of people is that you **like to doctor documents, invoices, banking licenses**, so it would not be a shock if the documents were forged within this trust making this trust illegal."

l) On October 15, 2021, Saunders published to his GGG YouTube Channel, a video entitled, "*WEEKLY UPDATE, Alex Bodi back in jail, RealT Tokenized Real Estate and Money Laundering*," <https://youtu.be/rZ3O2QNeItQ> (Last visited November 29, 2021). The video was viewed at least 436 times.

i) From 0:42 to 1:04, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: "Then we're gonna get into a treasure

chest of legal documents that was sent to be by, I can't say who, that deals with what looks like at a glance right now, roughly **\$320 million dollars of money laundering that happened between Harald Seiz and Josip Heit.**"

- ii) From 4:46 to 6:35, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: "So let's talk about the, uh, **money laundering**, so I got, I received, a plethora of documents, um, actual, official documents and these actually connect to Anna Krimsten, Krimsten, the lawyer as well, uh, like, backdated, like you, it's taken a while to go through these documents, simply because they have to be translated from multiple different languages, German, Russian, stuff like that, uh, Crypt Talk Nation has been going through them, from the glance, these documents were handed over to me, and the you know, **the message was proof of 320 million dollars of wire fraud, or not wire fraud, money laundering.** And somebody from the main office of Karatbars in Stuttgart, had gotten a hold of me and kept saying that **Josip Heit was brought into Karatbars to launder Harald Seiz's money** and gave a couple of examples but they didn't have any proof but now these documents all of sudden popped up, and a, it's you know, I just did a video not too long ago breaking down the numbers of



**how much money these crooks, these crypto criminals were generating, and then when I get this, it's like 320 million dollars of money laundering,** its, its, my numbers aren't a hundred percent accurate but it's definitely looking like that and it's definitely, **its definite proof.** So as much as the Gold Standard Bank and the Gold Standard Partners want to wash their hands of KaratBars, um, **Josip Heit was their laundry boy,** Josip Heit was the laundry boy for KaratBars International."

iii) From 12:05 to 12:14, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: "I mean your coin is doing good, but it looks like a fuckin pulse the way it's up and down **cuz it's a Pon you know, it's a planned pump and dump with Walsh Trading.**"

m) On November 3, 2021, Saunders published to his GGG YouTube Channel, a video entitled, "*The FTC, Karatbars International and GSB*," [https://youtu.be/\\_myQMqv8NUI](https://youtu.be/_myQMqv8NUI) (Last visited November 30, 2021). The video was viewed at least 490 times.

i. From 1:48 to 3:02, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: "It was the same people that are now Gold Standard Partners in the Gold Standard Bank that caused this

trouble in Karatbars International. That's your Mike Dalcoe's, your Brian McGinty's, your Tony De Gouveia's, . . . all these top players and these top professional marketers that basically were swimming in muddy waters with Karatbars just left Karatbars with Josip Heit with Alex their IT guy, with you know everything that was happening, they just changed, they just acted like they changed their clothes and they're different people. It's not the case and that's why even though Karatbars and Gold Standard bank on paper might be two separate companies, **they're still doing the same deceptive practices**, and they're just switching clothes so they can't, they won't get caught . . . if you're a part of any of these companies, **I would really distance myself from you if you don't want to get financially harmed because lets you know submit, these people are just robbing you blind."**

- n) On December 2, 2021, Saunders published to his GGG YouTube Channel, a video entitled, "*WEEKLY UPDATE, Why I think Josip Heit is Lying and Why You Shouldn't Give Him Your Money*," <https://youtu.be/jryHxk0pYKs> (Last viewed December 2, 2021). The video was viewed at least 307 times.
- i) From 1:54 to 1:59, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: "Josip Heit is shit ass investor but he's not an investor he's a scam artist."

29. Notwithstanding that Saunders repeatedly accused GSB, its principals, and agents of criminal acts or acts of moral turpitude, Saunders has published statements confirming his lack of knowledge of any criminal investigations of either GSB, its agents, or its principals.

**D. Conflating GSB With OneCoin**

30. Saunders has intentionally conflated GSB with a wholly distinct legal entity called OneCoin Ltd. (“OneCoin”).

31. On information and belief, OneCoin was created in 2014 by Konstantin Ignatov and Ruja Ignatova and was based in Sofia, Bulgaria. From 2014 through 2019, OneCoin operated as a multi-level marketing network through which members received commissions for recruiting others to purchase cryptocurrency packages. OneCoin was alleged to have been mined using mining services maintained and operated by OneCoin but its price was in fact determined internally rather than being based upon market supply and demand.

32. On information and belief, OneCoin’s business activities came under criminal and regulatory investigation:

- i) On March 8, 2019, Geoffrey S. Berman, the United States Attorney for the Southern District of New York, announced an indictment charging Ruja Ignatova and Konstantin Ignatov with securities fraud, money laundering, and wire fraud offenses (“Indictment”), <https://www.justice.gov/usao-sdny/pr/manhattan-us-attorney-announces-charges-against-leaders-onecoin-multibillion-dollar> (Last visited December 13, 2021); and
- ii) On November 21, 2019, Geoffrey S. Berman, the United States Attorney for the Southern District of New York, announced the conviction of Mark S. Scott, formerly an equity partner at a prominent international law firm,

of leveraging his legal expertise to evade anti-money laundering protocols on behalf of OneCoin, <https://www.justice.gov/usao-sdny/pr/former-partner-locke-lord-llp-convicted-manhattan-federal-court-conspiracy-commit-money> (Last visited December 13, 2021).

33. On further information and belief, the Indictment issued by the United States Attorney by the Southern District of New York alleged that OneCoin was “an old-school pyramid scheme on a new-school platform.” The Indictment further alleged that OneCoin was a “multibillion dollar ‘cryptocurrency’ company based completely on lies and deceit,” <https://www.justice.gov/usao-sdny/pr/manhattan-us-attorney-announces-charges-against-leaders-onecoin-multibillion-dollar> (Last visited December 13, 2021).

34. On further information and belief, the press release published by the Department of Justice on November 21, 2019 alleges that Mark S. Scott utilized “his specialized knowledge as an experienced corporate lawyer to set up fake investment funds, which he used to launder hundreds of millions of dollars of fraud proceeds,” <https://www.justice.gov/usao-sdny/pr/former-partner-locke-lord-llp-convicted-manhattan-federal-court-conspiracy-commit-money> (Last visited December 13, 2021).

35. In both legal and practical terms, GSB and OneCoin are not the same entity. First, GSB are two separate legal entities. OneCoin was a corporate entity that was registered under the laws of Bulgaria in 2014 by Konstantin Ignatov and Ruja Ignatova, whereas GSB was registered in 2020 as GSB Gold Standard Corporation AG. Second, OneCoin and GSB do not enjoy a parent, subsidiary, sister, related, or affiliated company relationship of any kind whatsoever. Third, OneCoin and GSB do not share the same owners. On information and belief, OneCoin was wholly owned by its founders, Konstantin Ignatov and Ruja Ignatova, while GSB



is wholly owned by Josip Heit. Fourth, OneCoin and GSB do not have any joint venture, partnership, or similar business relationship. In sum, OneCoin and GSB are not the same entity.

36. Notwithstanding, Saunders has made false and defamatory statements alleging that OneCoin and GSB are the same entity. Saunders knows that OneCoin and GSB are not the same entity, but has made his false and defamatory statements conflating OneCoin with GSB with the specific intent to: (i) portray GSB, its principals, and agents, as the same perpetrator of fraud and deceit as OneCoin; (ii) impute OneCoin's reputation as a convicted fraudulent, pyramid scheme onto GSB, its principals, and agents; and (iii) discourage GSB's current, future, and potential investors, customers, and clients from doing business with GSB, its principals, and agents, and to interfere with GSB's business relationships. As a result of Saunders' false and defamatory statements, GSB, its principals, and agents have been harmed, primarily as a result of lost profits and lost business opportunities. Illustratively, Saunders made the following false and defamatory statements:

- a) On December 6, 2021, Saunders published to his 24Karat Twitter HandleTwitter the following tweet: "Is #annakrimstein the #markscott off #Karatbars and #GSB? #Onecoin #JosipHeit @CrypttalkP @LouisNel @walshjonwalsh @JamesDo83941476 @MarvinSteinberg"
- b) On December 10, 2021, Saunders published to his GGG Instagram Account, a video entitled, "*Chasing that Karatbar Money*," [https://www.instagram.com/tv/CXUC\\_RZJDnr/?utm\\_medium=copy\\_link](https://www.instagram.com/tv/CXUC_RZJDnr/?utm_medium=copy_link) (Last visited December 13, 2021). The video was viewed at least 47 times.



- i. From 0:20 to 1:05, Saunders published the following statement conflating GSB with OneCoin: **“If you guys don’t follow what’s going on with OneCoin, it’s probably been the biggest scam since Bernie Madoff. Jim McAdoms is the driving force behind helping those people get their money back.** And, uh, it was a huge victory in the sense that, of this firm, you know, helping them chase down the money. And, uh, And I had a conversation this morning with that firm . . . **it’s an asset firm that chases down the money and they seem pretty interested in chasing down that Karatbars, Gold Standard Bank, Josip Heit, Harald Seiz money.”**

37. At all times, Saunders has made each of these statements—conflating GSB with One Coin, an organization convicted as a Ponzi scheme and internationally known for fraud and deceit—with the knowledge that his statements were false and that GSB and OneCoin are separate entities.

### **III. SAUNDERS MADE THE FOREGOING FALSE STATEMENTS KNOWINGLY AND WITH MALICIOUS INTENT**

38. On May 27, 2021, Saunders published a video to the GGG YouTube Channel, entitled, *“Weekly Update, My Mom’s Basement, GsPartner Facts and The New Set of Playlist,”* [https://youtu.be/\\_FEoolSLQAM](https://youtu.be/_FEoolSLQAM) (Last visited November 29, 2021). From 9:53 to 10:02, Saunders states, *“I will be the voice. I will be the one with the bullseye on my head. I will take the target. I will take the legal actions. I’ll take all the heat.”* This video demonstrates that Saunders was keenly aware of the potential legal consequences of his defamatory publications when he made these statements.

39. On June 18, 2021, a Ukrainian District Court issued an order in connection with a complaint brought by GSB against Saunders and his GGG YouTube Channel and GGG Instagram Account (the “Ukraine Complaint”). The Ukraine Complaint alleged that Saunders falsified pictures, as well as published factually untrue statements about GSB, its agents, and its principals. (See Exhibit A, pg. 11.) After a detailed examination of Saunders’ statements, as well as evidence presented by GSB pertaining to the substance of statements and representations made by Saunders on his GGG YouTube Channel, the Ukrainian District Court ruled in favor of GSB and issued an injunction demanding Saunders remove the “deliberate defamations” he published on his GGG YouTube Channel and GGG Instagram Account (the “Ukrainian Take-Down Notice”). (See Exhibit A.) Specifically, the Ukrainian District Court held that Saunders “spreads deliberate defamations about products and employees of the company GSB Gold Standard Banking Corporation AG.” (See Exhibit A, pg. 11.) Notwithstanding the Ukrainian Take-Down Notice, Saunders refused to remove the “deliberate defamations,” and has since published fifty (50) videos on his GGG YouTube Channel making similarly defamatory statements, with the full knowledge that these statements were false and defamatory, and in direct contempt of the Ukrainian Take-Down Notice.

40. On November 4, 2021, Saunders published a video to the GGG YouTube Channel, entitled, “*I Smell A Dirty Foot*,” <https://youtu.be/lghTaxJeJpE> (Last visited November 29, 2021). From 9:15 to 9:33 in the video, Saunders reads a third-party’s letter comprised of a number of allegations directed towards Saunders. In response, Saunders states, “I think that’s defamation, right?” This video demonstrates that Saunders understands his statements are defamatory in nature, and confirms that he possesses the requisite intent to injure the reputation of GSB, its principals, and agents with his false publications.

41. On November 17, 2021, Saunders was served with a Cease and Desist Letter from GSB, placing him on notice that the statements made on his GGG YouTube Channel regarding GSB, its principals, and agents, were false and defamatory and that he needed to “cease and desist” from making such false and defamatory statements because they are causing substantial damage to the reputation and business dealings of GSB, its principals, and agents (the “Cease and Desist Letter”). (See Exhibit B.) In response to the Cease and Desist Letter, on November 18, 2021, Saunders published on his GGG YouTube Channel a video entitled, “*Grit Grind Gold’s Response to Josip Heit’s attorney*,” [https://youtu.be/\\_UdBUZKrQtY](https://youtu.be/_UdBUZKrQtY) (Last visited December 2, 2021), which ridiculed the substantive content of the Cease and Desist Letter. Instead of retracting any portion of the substantive statements identified in the Cease and Desist Letter, Saunders has continued to engage in making false and defamatory statements, repeating the assertions that GSB and Karatbars are the same entity; that GSB, its principals, and agents are “Ponzi prostitutes;” and that GSB, its principals, and agents are engaged in acts of criminality. Illustratively, Saunders made the following statements in the November 18, 2021 YouTube Video:

- a) From 12:52 to 12:56, Saunders characterized the Cease and Desist Letter as “a big fuckin joke.”
- b) From 14:19 to 14:24, Saunders dismissed the potential of legal action arising from the Cease and Desist Letter, stating “you won’t see me in court because you’re a big fuckin pussy.”
- c) From 14:52 to 15:10, Saunders invited GSB, its principals, and agents to take legal action, stating “all [Josip Heit] is a fuckin two-bit con man . . . there’s so much we can expose on [him]. If you really want to step

into the fuckin court, Josip, I'll go fuckin bare knuckle glove with you."

- d) From 17:08 to 17:17, Saunders demonstrated that his intent in making his statements was to create trouble for GSB, its principals, and agents, stating "yea this whole thing is probably gonna go viral. Trust me. I know I'm kicking the hornet's nest right here and that's exactly what I want to do."
- e) From 17:46 to 17:50, Saunders repeated his defamatory accusation of GSB, its principals, and agents as being "Ponzi prostitutes," stating "I want all you Ponzi prostitutes to come out and fuckin apologize."
- f) From 18:06 to 18:33, Saunders once again conflated Karatbars with GSB, its principals, and agents, stating "I just want to thank the Gold Standard Bank, Karatbars, Harald Seiz, Josip Heit, Thomas Valet, um, Alex the great, all of you for fuckin up a cryptocurrency project so bad that people that are actually passionate about crypto could expose it and the fact that it's making historical, like like this is history."
- g) From 18:53 to 19:00, Saunders said that his goal was to shut down GSB and its cryptocurrency products, stating "guys we've done more self-regulating and stopping these crypto-cunts."

42. Saunders' defiant response to the Cease and Desist Letter, as well as the Ukrainian Take-Down Notice (which was attached as an exhibit to the Cease and Desist Letter), clearly demonstrates his intent to continue making false and defamatory statements about GSB, its principals, and agents. As of the filing of this action, Saunders' video, "*Grit Grind Gold's*



*Response to Josip Heit's attorney*,” [https://youtu.be/\\_UdBUZKrQtY](https://youtu.be/_UdBUZKrQtY) (Last visited November 29, 2021), has been viewed at least 689 times.

43. In addition, Saunders has continued to make false and defamatory comments since receiving both a copy of the Cease and Desist Letter as well as the Ukrainian Take-Down Notice. Illustratively, Saunders has publicly posted the following statements on his Social Media Channels since November 18, 2021, which together include statements falling in each of the four broad categories of false and defamatory statements previously identified:

a) On November 18, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*Grit Grind Gold's Response to Josip Heit's attorney*,” [https://youtu.be/\\_UdBUZKrQtY](https://youtu.be/_UdBUZKrQtY) (Last viewed December 2, 2021). The video was viewed at least 689 times.

i) In the comments section to this video, Saunders published the following statement conflating GSB with Karatbars: “Saying GSB is not Karatbars is like changing the license plate on your car and saying it is a different car.”

b) On December 1, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*WEEKLY UPDATE, Why I Think Josip Heit is Lying and Why You Shouldn't Give Him Your Money*,” <https://youtu.be/jryHxk0pYKs> (Last viewed December 2, 2021). The video was viewed at least 307 times.

i) From 1:58 to 2:01, Saunders published the following statement ascribing criminality and acts of moral turpitude to GSB, its principals, and agents: “[Josip Heit] is not an investor, he's a



scam artist.”

- ii) From 5:28 to 5:30, Saunders published the following statement falsely declaring GSB to be a Ponzi scheme: “Josip Heit, you’re nothing more than a Ponzi kingpin.”
- c) On December 10, 2021, Saunders published to his GGG Instagram Account, a video entitled, “*Chasing that Karatbar Money*,” [https://www.instagram.com/tv/CXUC\\_RZJDnr/?utm\\_medium=copy\\_link](https://www.instagram.com/tv/CXUC_RZJDnr/?utm_medium=copy_link) (Last visited December 13, 2021). The video was viewed at least 47 times.
- i) From 0:20 to 1:05, Saunders published the following statement conflating GSB with OneCoin, “**If you guys don’t follow what’s going on with OneCoin, it’s probably been the biggest scam since Bernie Madoff. Jim McAdams is the driving force behind helping those people get their money back.** And, uh, it was a huge victory in the sense that, of this firm, you know, helping them chase down the money. And, uh, And I had a conversation this morning with that firm . . . **it’s an asset firm that chases down the money and they seem pretty interested in chasing down that Karatbars, Gold Standard Bank, Josip Heit, Harald Seiz money.**”

#### IV. SAUNDERS’ FALSE AND DEFAMATORY STATEMENTS ARE INTENDED TO AND ACTUALLY DID HARM GSB WHILE BENEFITTING SAUNDERS

44. Saunders actively works to attract current and prospective customers of GSB to view Saunders’ GGG YouTube Channel.

45. First, Saunders uses the names and images associated with GSB, its agents, and its principals in advertising the videos he posts on his GGG YouTube Channel. Saunders uses these names and images because he knows that his use of these names and images will show up on Google, YouTube, and other search engines when GSB's prospective customers are searching online for information about GSB. See example, below:



GSPartners Are Committing Crypto Fraud With The G999, Here Is The Evidence

4.2K views • 7 months ago



Grit, Grind, Gold

46. Second, Saunders also uses a list of related and/or inflammatory keywords in advertising the videos he posts on his GGG YouTube Channel about GSB, its principals, and agents. Saunders' purpose in using these related and/or inflammatory keywords is to attract as many viewers to his GGG YouTube Channel as possible, as he knows that his use of these related and/or inflammatory keywords will direct potential customers of GSB to GGG YouTube Channel through Google, YouTube, and other search engines. Illustratively, Saunders video titles include the following:

- a) *"Is this Proof Karatbars and GSB have been a scam since day one?,"*  
<https://youtu.be/Em1QUfISiT4> (Last visited November 29, 2021);
- b) *"LIVE UPDATE, Security Fraud, A Shitty XLT Brochure and Josip Heit's Bullshit Lies,"* <https://youtu.be/z6F6pgje38U> (Last visited November 29, 2021);
- c) *"Have the GSPartners become the new Fascist of crypto?,"*

<https://youtu.be/ZWGMS246Ui0> (Last visited November 29, 2021);

d) *“The GSB GSPartners and all of their G999 LIES,”*

<https://youtu.be/XHf0oh3IBLo> (Last visited November 29, 2021);

e) *“How Josip Heit and the GSPartners used Dubai to scam you out of MILLIONS,”*

<https://youtu.be/qiW5EPbCvYQ> (Last visited November 29, 2021);

f) *“The GSB KILLSHOT,”* <https://youtu.be/gV-c7hjEujw> (Last visited November 29, 2021);

g) *“GSPartners Are Committing Crypto Fraud With The G999, Here Is The Evidence,”* [https://youtu.be/AFj9bcNKd\\_8](https://youtu.be/AFj9bcNKd_8) (Last visited November 29, 2021);

h) *“Karatbars, Freebay, Gold Standard Bank and The Criminal Connection,”*

<https://youtu.be/Mlsb2vD4crA> (Last visited November 29, 2021).

47. Third, Saunders advertises his GGG YouTube Channel on his Twitter, Instagram, and Facebook accounts. Saunders’ purpose in using these related and/or inflammatory keywords is to attract as many viewers to his GGG YouTube Channel as possible.

48. Saunders’ purpose in advertising his GGG YouTube Channel and attracting current and prospective customers of GSB is two-fold. First, Saunders has monetized his GGG YouTube Channel. As a result, Saunders makes more and more money with each new person that subscribes to his GGG YouTube Channel and/or watches the videos he posts on his GGG YouTube Channel. Second, Saunders’ goal in advertising his GGG YouTube Channel is to attract current and prospective customers of GSB and dissuade them from buying and using GSB’s products and services. Indeed, Saunders has explicitly stated that his goal in making the videos he posts on his GGG YouTube Channel is to take customers and revenues away from GSB, and disrupting their sales operations. Illustratively, Saunders has stated as follows:

- a) On July 21, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*Phase 1 of GSB and the G999 Exclusive Living Deal*,” <https://youtu.be/0hRJ5yU4Bxo> (Last visited November 29, 2021). The video was viewed at least 683 times.
  - i. From 2:02 to 2:21, Saunders published the following statement demonstrating his goal of dissuading prospecting customers of GSB from buying and using GSB’s products and services: “If you’re buying into this project, what you’re doing is, you’re not buying into a passive residual income on tokenized real estate, you’re paying for a fundraiser for Josip Heit to buy him an escape in Dubai.”
- b) On July 23, 2021, Saunders published to his GGG YouTube Channel, a video entitled, “*WEEKLY UPDATE, The Banking License, A Good Book, and Tokenizing Real Estate*,” [https://youtu.be/96Gi\\_XesEcA](https://youtu.be/96Gi_XesEcA) (Last visited November 29, 2021). The video was viewed at least 532 times.
  - i. From 1:47 to 2:02, Saunders published the following statement demonstrating his goal of dissuading prospecting customers of GSB from buying and using GSB’s products and services: “This scam right here has gotten so severe, I think anybody that’s in this right now, or before you even consider joining the gold standard bank or becoming a gold standard partner, uh take a read like scan through this book . . . ”
- c) On October 4, 2021, Saunders published to his GGG YouTube Channel,



a video entitled, “*LIVE UPDATE, Security Fraud, A Shitty XLT*

*Brochure and Josip Heit's Bullshit Lies*,” <https://youtu.be/z6F6pgje38U>

(Last visited November 29, 2021). The video was viewed at least 501 times.

- i. From 6:12 to 6:25, Saunders published the following statement demonstrating his goal of dissuading prospecting customers of GSB from buying and using GSB’s products and services:  
“Basically, what they’re doing, if you’re buying into this XLT, you’re buying property for them to run off with your money.

49. Saunders’ reason for continuing to make these false and defamatory statements about GSB, its principals, and agents, was also made clear in the title to the December 1, 2021 video (“*WEEKLY UPDATE, Why I Think Josip Heit is Lying And Why You Shouldn’t Give Him Your Money*”) that he posted to his GGG YouTube Channel, in which Saunders made clear that his goal in making these statements is to convince GSB’s current, future, and potential investors, customers, and clients that they “*shouldn’t give [GSB, its principals, and agents] [their] money.*”

50. Saunders’ advertising and solicitation tactics have drawn numerous current and prospective customers of GSB to Saunders’ GGG YouTube Channel. As a result of the false and defamatory statements these current, future, and prospective customers of GSB are exposed to on Saunders’ GGG YouTube Channel, GSB, its principals, and agents have lost, and continue to lose, thousands of dollars in monthly revenues from customers, lost business relationships, and lost prospective business opportunities, including substantially more than \$75,000 in lost income.



## V. GROUNDS FOR INJUNCTIVE RELIEF

51. The public maintains an interest in protecting the reputational and economic integrity of innocent parties susceptible to an onslaught of baseless defamatory publications. At the same time, monetary damages do not provide complete relief or an adequate remedy at law for all the harm caused by Saunders' conduct.

52. Saunders has repeatedly published false and defamatory statements about GSB, its principals, and agents, which Saunders (i) knows to be false, (ii) publishes in order to drive revenues to his GGG YouTube Channel, and (iii) intends to cause GSB, its principals, and agents reputational and financial harm. Moreover, Saunders has demonstrated that he has no intention to cease making these false and defamatory statements, as he has continued to make these statements in defiance of the Ukrainian Take-Down Notice and a more recent Cease and Desist Letter.

53. GSB, its principals, and agents have suffered actual damages well in excess of \$75,000 to date, and are likely to continue suffering irreparable harm in the absence of an injunction because of the continued loss of prospective economic relations and reputational damage caused by Defendant's false publications. Indeed, Saunders is currently using the Cease and Desist Letter—not as a guide to help him identify which false and defamatory statements to retract—*but to actively promote these false and defamatory statements to his viewers by posting a copy of the Cease and Desist letter on his GGG Facebook Channel and making videos about it on his GGG YouTube Channel.* And these tactics are working—the video Saunders posted on his GGG YouTube Channel on November 18, 2021 where he mocked the Cease and Desist Letter, *is now one of Saunders' top videos of all time.*

54. While Saunders' bad acts threaten to irreparably harm GSB, its principals, and

agents, the issuance of an injunction will not cause the Defendant substantial harm, as he will be merely prevented from continuing to engage in false and defamatory publications of GSB, its principals, and agents.

55. Injunctive relief is also appropriate because GSB, its principals, and agents are likely to succeed on the merits of this action due to having plead with particularity the false and defamatory nature of Defendant's publications, Defendant's admission of a lack of factual knowledge to support the substance of his defamatory statements, and Defendant's demonstrative intent to harm GSB, its principals, and agents.

### **FIRST CAUSE OF ACTION**

#### **(DEFAMATION PER SE)**

56. Plaintiffs re-allege and incorporate by reference Paragraphs 1–55 as if set forth hereto in full.

57. Since December 1, 2020, Saunders has broadcast at least ninety-nine (99) video productions on his GGG YouTube Channel. The videos were published to the general populace and have amassed at least 205,283 views.

58. The video publications contain false and defamatory statements concerning GSB, its principals, and agents. Saunders' statements have been broadcast without just cause or excuse, and with the malicious intent to harm the business reputation, integrity, and profits of GSB, its principals, and agents.

59. First, Saunders' video publications falsely conflate GSB with a legally separate entity named Karatbars.

60. Saunders made these statements with the knowledge that that GSB is a legally separate entity from Karatbars and with the malicious intent that his false statements would

necessarily harm the business reputation of GSB, its principals, and agents.

61. Second, Saunders' video publications falsely accuse GSB, its principals, and agents of being engaged in a Ponzi scheme.

62. Saunders made these statements with the knowledge that GSB, its principals, and agents are not engaged in a Ponzi scheme and with the malicious intent that his false statements would necessarily harm the business reputation of GSB, its principals, and agents.

63. Third, Saunders' video publications falsely accuse GSB, its principals, and agents of criminal acts and acts of moral turpitude.

64. Saunders made these statements with the knowledge that neither GSB nor its agents or principals committed criminal acts or acts of moral turpitude and with the malicious intent that his false statements would harm the business reputation of GSB, its principals, and agents.

65. Fourth, Saunders' video publications falsely conflate GSB with a legally separate entity named OneCoin.

66. Saunders made these statements with the knowledge that that GSB is a legally separate entity from OneCoin and with the malicious intent that his false statements would necessarily harm the business reputation of GSB, its principals, and agents.

67. As a result of these false and defamatory actions, Plaintiffs have lost business and customers and business opportunities resulting in substantially more than \$75,000 in actual damages.

## **SECOND CAUSE OF ACTION**

### **(TORTIOUS INTERFERENCE WITH BUSINESS EXPECTANCY)**

68. Plaintiffs re-allege and incorporate by reference Paragraphs 1–67 as set forth

hereto in full.

69. G999 is a decentralized, cryptocurrency that utilizes blockchain technology to provide its users with a reliable, secure, and confidential service to effectively build and develop private economic relations.

70. GSB, its principals, and agents, maintain economic relationships with both individual and institutional investors who are interested in its product offerings, such as G999.

71. User trust in the integrity of the G999 blockchain is integral to its success, as the platform is a decentralized cryptocurrency reliant upon a system of integrity worthy of engendering user trust.

72. Defendant possessed an understanding of cryptocurrency, such that he was fully aware of the necessity of user-trust in the integrity of the G999 blockchain technology.

73. Without any justification, Defendant improperly interfered with GSB, its principals', and agents' prospective economic relations with both individual and institutional investors by creating an atmosphere of distrust in the integrity of the G999 blockchain technology with his false and defamatory statements.

74. GSB, its principals, and agents, had a contract expectancy and prospective business relationships with both individual and institutional investors interested in its G999 product offering.

75. First, GSB, its principals, and agents possessed existing valid contractual agreements with both institutional and individual investors in its various product offerings, such as G999.

76. Second, Defendant was aware that GSB, its principals, and agents had contractual agreements and business expectancy with both institutional and individual investors in its various



product offerings, such as G999.

77. On November 17, 2021, Defendant was served with a Cease and Desist Letter from GSB, placing him on notice that the statements made on his GGG YouTube Channel regarding GSB, its principals, and agents, were false and defamatory and that he needed to “cease and desist” from making such false and defamatory statements because they are causing substantial damage to the reputation and present business dealings of GSB, its principals, and agents.

78. Third, Defendant’s false and defamatory statements intentionally interfered with the potential contractual relationships and business expectancy of GSB, its principals, and agents, with both institutional and individual investors interested in GSB’s product offerings (such as G999).

79. Saunders continued to make false and defamatory comments after receipt of the Cease and Desist Letter, which effectively put him on notice that Defendant was intentionally interfering with the potential contractual relationships and business expectancy of GSB, its principals, and agents, with both institutional and individual investors interested in GSB’s product offerings (such as G999).

80. Fourth, Defendant used improper methods in the form of false and defamatory statements on Defendant’s GGG YouTube Channel to interfere with the potential contractual relationships and business expectancy of GSB, its principals, and agents, with both institutional and individual investors interested in GSB’s product offerings (such as G999).

81. Following publication of Defendant’s false and defamatory statements, as set forth above, GSB, its principals, and agents received complaints from both present and prospective investors questioning their trust and belief in the blockchain technology, which has

resulted in either a termination of present investments, or a decision to refrain from investment, in the G999 blockchain technology.

82. As a result, the publication of Defendants' false and defamatory statements on his GGG YouTube channel have interfered with and caused actual disruption of GSB's existing and prospective economic relationships with both individual and institutional investors interested in GSB's product offerings.

83. Fifth, Defendant's false and defamatory statements have caused GSB, its principals, and agents actual damage in the form of lost contractual relationships and business expectancy with both institutional and individual investors interested in GSB's product offerings (such as G999).

84. In the absence of the publication of Defendant's false and defamatory statements, it was reasonably certain that GSB, its principals, and agents would have not lost the existing and prospective business relationships with which Defendant interfered, as investor testimonials directly attribute the climate of distrust created by the publication of Defendant's false and defamatory statements as the cause of their investment reticence.

85. GSB has lost potential investors, as well as suffered the loss of present investors, because of the climate of disparagement created by Defendant's publication of his false and defamatory statements about GSB, its principals, and agents on his GGG YouTube Channel.

86. Defendants' intentional false and defamatory statements were independently wrongful, having been made with malice intended to disrupt and interfere with GSB, its principals, and agents' potential economic relationships.

87. Defendants' intentional interference with GSB's potential and probable economic relationships caused substantial damage to GSB, resulting in millions of dollars in damages to

GSB's business.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs pray for relief against Defendant Christopher Saunders as follows:

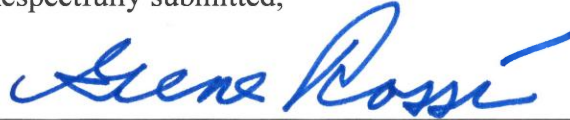
1. For a judgment against Saunders and in favor of Plaintiffs;
2. For actual, compensatory, and punitive damages in an amount to be determined at trial;
3. For injunctive relief enjoining Saunders and his respective agents, servants, and employees, and all persons acting on his behalf, from publishing false and defamatory statements concerning GSB, its principals, and agents.
4. For costs of suit, attorneys' fees, and other fees incurred herein; and;
5. For such other, further, and different relief that this Honorable Court deems just and proper.

**JURY DEMAND**

Plaintiffs respectfully demand a trial by jury of the claims set forth herein.

Dated: Thursday, December 16, 2021

Respectfully submitted,



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*\*Motion for Admission Pro Hac Vice Pending*